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COMPT 81-0672

MEMORANDUM FOR: Director of Central Intelligence

THROUGH : Deputy Director of Central Intelligence

FROM : Maurice Lipton
Comptroller

SUBJECT : Budget Authorization ☐

REFERENCE : Memo to Multiple Addressee from DCI dated
19 May 1981, Same subject ☐

27 MAY 1981

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1. This responds to your request for a report on where we stand relative to the Administration's approved 1981 funding level for CIA. At the present time we are basically on target on our spending for FY 1981. I do not anticipate any likelihood that we will exceed our 1981 authorization, as amended, and since our Congressional authorization and appropriation committees have already acted on our FY 1981 supplemental, approving a total of ☐ of the ☐ requested, we have no problem with respect to keeping Congressional action within the Administration's prescribed authorization for CIA. Similarly, there is no problem with respect to the rest of the Intelligence Community budget, although the operating budgets are controlled by the respective departments, i.e., Defense, State, etc. The following table shows the 1981 budget for CIA as amended by the new Administration, including our initial appropriation, program supplemental, and two approved transfers from within the NFIP for the Afghanistan program. The table on the next page shows that through April 30 we obligated 55 percent of the approved level (October through April is 58 percent of the year).

CIA's FY 1981 Funding
(\$ in Millions)

Available Now

Appropriated (Nov. 1980)

Transfer for Afghanistan (Feb. 1981)

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Pending before Congress

Pay Act (for Oct. 1980 pay raise)

Program Supplemental (new Administration add-on)

Transfer for Afghanistan

Subtotal

Total, approved funding level

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Status of Execution of 1981 Program
(\\$ in Millions)

Obligations (April 30, 1981)

Percent of approved funding level obligated

Straight line projection for 30 April (for comparison)



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2. We have spent a considerable amount of time this year reviewing trade-offs and options available to the Agency in the execution of our 1981 program. The problem has been complicated this year because (1) our original FY 1981 appropriation was inordinately tight compared to demands upon us and (2) the program supplemental for [] has not yet been enacted by the Congress. Only in the past several weeks have we become fully confident that Congress will approve the major portion of the supplemental. []

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3. In October of last year the Deputy Directors and I reviewed our major FY 1981 unfunded needs and possible trade-offs within the budgeted program. It was out of this review that we became convinced that a supplemental appropriation was necessary in order to avoid major curtailments to valuable ongoing programs. The transmittal of our [] supplemental request to Congress in March of this year held out the prospect of eventual help, but some of the programs included in the supplemental []

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[] Project SAFE, and for higher than anticipated inflation) needed immediate funding. With the approval of the DDCI, we agreed in March to proceed with a total of [] million of programs covered in the supplemental, using already appropriated funds, acknowledging that if the supplemental were only partly appropriated the deficit would have to be recovered out of our already tight availabilities. This decision seems to have been a good one since we are now virtually certain of obtaining [] based upon committee action to date. []

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4. My assessment is that most items in the supplemental can be effectively obligated if the Defense supplemental (our funds are contained in the Defense bill) is signed into law by the end of July. []

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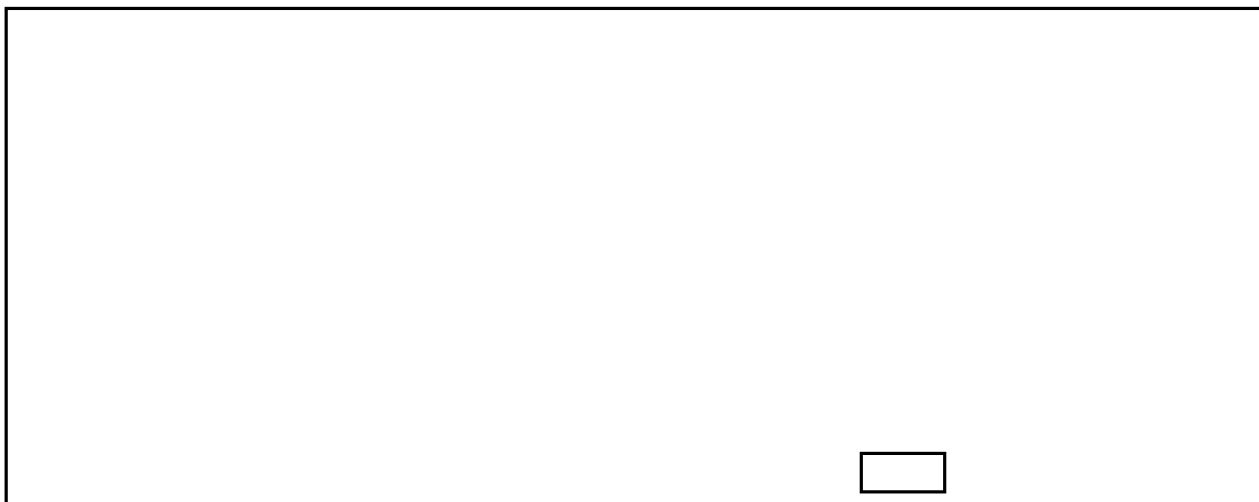
5. With regard to the discussion at the 18 May Cabinet meeting which prompted your questions, my understanding is that the discussion addressed primarily outlays. In government accounting, outlays are actual payments (expenditures, writing of checks, payouts), as opposed to obligations, which represent contracts or official commitments for later payments--upon completion of the service or contract. Both concepts are important for government budgeting and accounting purposes, but governmentwide outlays affect directly the cash on hand at Treasury, the necessity for Treasury borrowing, and calculations of the national debt and the yearly deficit. These issues are, of course, of particularly high interest to OMB and Treasury but of less immediate interest to operating agencies. []

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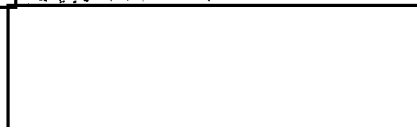


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25X1 7. If you have further questions on our 1981 program implementation or outlays, please let me know.



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Maurice Lipton

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